

Action Item

Governmental Relations Committee

Approval of the Minutes of the July 31, 2001,
and October 2, 2001, Meetings

MINUTES

Governmental Relations Committee

Meeting of July 31, 2001

Committee members present Howard Welinsky, *Chair*
Phillip J. Forhan
Robert A. Hanff
Guillermo Rodriguez, Jr.
Olivia K. Singh
Alan S. Arkatov, *ex officio*
Carol Chandler, *ex officio*

Other Commissioners present
William D. Campbell
Susan Hammer
Kyo "Paul" Jhin
Odessa P. Johnson
Melinda G. Wilson

Committee member absent Evonne Seron Schulze, *Vice Chair*
Lance Izumi

Call to order Committee Chair Welinsky convened the Governmental Relations Committee at 11:41 a.m.

Legislative and budget update, July 2001

Commission staff member Kevin Woolfork stated that the Governor had just signed the budget into law recently in the amount of \$103 billion in general funds and selected special and bond funds. He said the State general fund portion of the budget actually represents a decrease from the prior year, but that higher education, in general, fared relatively well. However, he said there were some significant budget cuts in public higher education budgets.

Mr. Woolfork said documents handed out at the meeting contained a brief summary of the highlights of the Governor's budget. He cautioned that this information is preliminary and further reconciliation will be forthcoming in a later report.

Commissioner Forhan expressed his frustration with the deletion of the money for scheduled maintenance and repairs of the community colleges. He said many structures on community college campuses are in dire need of repair. Withdrawing the funds would be devastating.

Staff member Marge Chisholm passed out an updated bill matrix and outlined the latest changes that have occurred during the legislative process. She recommended that the committee adopt the revised matrix reflecting the following changes:

- ♦ AB 16 - change from a "support, if amended" to a "support position" on the Hertzberg bond proposal.

- ♦ AB 540 (Firebaugh) - a new bill the committee may want to discuss at this meeting.
- ♦ AB 1299 (Leonard) – changed from a bond proposal (Leonard is now a co-author with the Speaker Hertzberg on AB 16) to a spot bill and staff suggests a “watch” position.
- ♦ SB 379 (Alarcon) – change to a “formal support” position (there is money in the bill for staff to assess the available data on student resources pertinent to application to college and financial aid information).
- ♦ Items 40 and 42 - remove these from the matrix as the bills have been significantly amended and do no longer affect higher education issues.

A motion was made to adopt the entire matrix, including the proposed changes. The motion was seconded and carried with Commissioner Chandler opposing the “support” position on AB 540.

Ms. Chisholm provided a brief explanation of AB 540 (Firebaugh). She said the bill would qualify high school students in the State of California for resident rather than nonresident fees if they have attended and graduated from high school in California for three years. This would enable them to apply for financial aid, if eligible. The requirement for students moving in from out of state is one year and one day with the exception of UC where a residence of three years is required. An extensive discussion followed on this bill.

Commissioner Wilson asked for a clarification on the committee’s position on AB 622 and SB 611. Ms. Chisholm explained the bills will not go forward in their present form. She also explained the differences between positions of “support, if amended” and “oppose, unless amended.”

Commissioner Rodriguez suggested that in the Legislative bill summaries, staff indicate the committee’s concerns on certain positions so that the Commissioners who have not discussed the bills in detail will be more aware of the rationale behind the position.

**Federal update,
July 2001**

Staff member Karl Engelbach advised that this item is presented for the committee’s information and requires no action. He updated the committee on four emerging issues:

- ♦ Reauthorization of the Elementary and Secondary Education Act;
- ♦ Appropriation bill for education programs;
- ♦ Introduction of House Resolution 2482 which proposes to eliminate the “tuition sensitivity” formula in current Federal law (it also would expand the Hope and Lifetime Learning tax credits and the Commission executive director will send a letter of support for this bill).
- ♦ Introduction of House Resolution 1992 that would amend current federal law to make it easier for students who enroll in distance education programs to receive federal student financial aid.

Responding to a request by Commissioner Arkatov, Mr. Beyer explained the HR 1991 timetable in Congress and said that a signal of support would be helpful in order to make a strong case to the Senate. Mr. Engelbach cautioned against rushing into support without further discussion and debate about several issues.

Commissioner Arkatov requested that the committee recommend that the Executive Director take all appropriate measures with Congressman's Isaacson's office to relate the Commission's support of the bill. An official vote is to be taken at the October meeting. Chair Welinsky agreed to do so by unanimous consent of the committee.

With respect to HR 2482, Chair Welinsky also directed staff to send a letter expressing the Commission's support of this measure.

Status Report
Update: AB 1123
Task Force

Staff member Kathleen Chavira highlighted activities in response to AB 1123 which requires the commission to convene an intersegmental working group to facilitate the development of statewide funding priorities for technology in higher education. Her report included the following:

- ◆ A review of the materials provided in the agenda item;
- ◆ An update on the last meetings of the intersegmental working group;
- ◆ Information and preliminary findings about a distance-learning survey undertaken by the Commission staff; and
- ◆ Proposed actions and meeting schedule

Commissioner Campbell expressed concern that the work of the Commission should not undermine ongoing activities in which the public higher education segments may have already invested significant time and resources. He suggested that the work of the Commission should recognize and support existing activities within the segments.

Ms. Chavira stated that the committee was comprised of representatives from each of the segments and that these representatives have articulated these same concerns.

Other business

Commissioner Arkatov referred to the earlier discussion concerning the bond measure and directed the Governmental Relations Committee to work with the Legislature, specifically the leaderships offices of the Assembly and Senate, on the actual drafting of language for that ballot initiative. He said there will not be another Commission meeting until October and that language will have been completed by then. He said the Governmental Relations Committee has the support of the full Commission to come back to the Commission and, should this become necessary, conduct a Commission conference call regarding recommendations on the actual bond bill language. Chair Arkatov would like for the Governmental Relations Committee to take the lead in terms of understanding the measure passed earlier today in terms of responsibilities, the dollar amount and accountability.

Adjournment Hearing no public comment and having no further business, Chair Welinsky adjourned the Governmental Relations Committee at 12:45 p.m.

MINUTES

Governmental Relations Committee

Meeting of October 2, 2001

Committee members present Howard Welinsky, *Chair*
Alan S. Arkatov, *ex officio*
Carol Chandler, *ex officio*

Other Commissioners present
William D. Campbell
Kyo "Paul" Jhin
Melinda G. Wilson

Committee members absent Evonne Seron Schulze, *Vice Chair*
Phillip J. Forhan
Lance Izumi
Guillermo Rodriguez, Jr.
Olivia K. Singh

Call to order Committee Chair Welinsky convened the Governmental Relations Committee at 8:51 a.m.

Federal update, October 2001 Staff member Karl Engelbach presented the federal update, noting that no action would be taken at this time. He informed the committee that Executive Director Fox sent a letter of strong support for concepts contained in both house resolutions 1992 and 2482 on behalf of the committee. He touched on four points.

1. In relation to preparations for educational programs, Congress passed a continuing resolution for existing federal programs to continue their operation until the final appropriations level had been determined. Education is among six appropriation bills not yet passed by Congress, but show strong bipartisan support for an increase of four billion dollars in education appropriations spending levels.
2. Status update on the reauthorization of the Elementary/Secondary Education Act. Congress formed a conference committee to continue discussion and resolution of the provisions of that act specifically the Eisenhower Professional Development Program which is authorized in that act. The Senate version of the bill is strongly supported which allows for a continued roll for higher education institutions and receiving federal resources to support K-12 professional development training.
3. The U.S. Department of Education announced on September 20th that the student loan default rates had dropped to 5.6 percent, their lowest level ever in history, resulting from many different provisions that have been enacted to both monitor institutions as well as receive loan repayments from direct garnishment of wages.

4. Senator Diane Feinstein indicated that she is contemplating legislation that would make it more difficult for students to receive visas to study here in the United States in our higher education institutions. As noted yesterday, approximately 66,000 foreign students study in California institutions, and nationally about 500,000 foreign students in U.S. study at colleges and Universities. Many of the higher education institutions have expressed concerns about Senator Feinstein's proposal. The proposed legislation stemmed from the knowledge that one of the alleged September 11th high-jacker was in the United States on a student visa.

Director Fox asked about Senator Feinstein's actions of proposing a bill and of funding provisions to assist reviewing the status of international students.

Mr. Engelbach clarified that in addition to the potential legislation, a requirement had been enacted in law for the Immigration and Naturalization Service to more closely track and monitor students currently studying in the United States on student visas.

**State legislative
end-of-the-year
report**

Staff member Kathleen Chavira provided an update on the activities of the Legislature and the governor since the adjournment of the first half of the 2001-2002 session. She explained that she would review the status of the Commission-sponsored legislation, give a brief summary of action taken on legislation involving the Commission, and provide an update on the status of both the education bond initiative discussions and Legislative efforts to restore community college budget funding. An updated bill matrix, current as of September 28, 2001 was distributed. She noted that the matrix handout included a copy of the veto message for Assembly Bill 484 (Runner), legislation which would have allowed specified community college buildings to be built either according to the Field Act or the California Uniform Building Standards Code.

Ms. Chavira noted that both Commission sponsored bills, AB 1720 and AB 1721, had left the Legislature with essentially unanimous support, and had gone to the governor. She announced that the Commission-sponsored bill, AB 1720, addressing the efficient and effective operation of the Bureau for Private and Postsecondary Vocational Education, had been signed by the governor. It provided for the Commission's participation with the Joint Legislative Sunset Review Committee (JLSRC) in the review and evaluation of the Bureau. She indicated that Commission staff had already begun discussions with review committee staff regarding the types of questions that should be raised in an upcoming public hearing. She clarified that the responsibility for preparation of a final report and any associated costs would rest with the JLSRC committee.

Ms. Chavira added that the Department of Finance has taken a neutral position on the second Commission-sponsored bill, AB 1721. This legislation called for and clarified that the Commission has responsibility for conducting periodic eligibility studies. She stressed that, while Governor Davis' support is likely, the final decision rests with him and the bill's outcome is uncertain.

Ms. Chavira noted that, since the mailing of the October agenda, two additional bills that involved the Commission had been enrolled. These were SB 554, which calls upon the Commission to develop a Master Plan for Service Learning and SB 1118, which calls

upon the Commission to work with the Department of Education to develop an informational pamphlet. She noted that, if the governor were to sign all the bills enrolled which direct and fund the Commission to conduct specific activities, an additional \$237,000 in funding would be provided to the Commission. Commissioner Chandler asked whether any of the bills involving the Commission lacked the necessary funding for complying with the requirements outlined. Ms. Chavira responded that this issue had been addressed either through amendments which eliminated the Commission from the language of bills, or incorporated funding for the required tasks.

Chair Arkatov expressed concern over the failure of the Legislature to put forth a facilities bond act bill. Ms. Chavira noted that the Legislature had considered three bills, each containing varying provisions for a bond initiative. Ultimately, Assembly Member Hertzberg's bill, AB 16, was considered to be the likely vehicle for bond-measure language. She noted that discussion in the final days of the session revolved around the amount, timing, and structure of the bond. She noted several elements including Superintendent Delaine Eastin's testimony in conference committee hearings expressing support of a combined K-12 and higher education bond, institutional staff concerns over the difficulty in planning with a two-year bond as opposed to a four-year bond, and the participation of the Department of Finance as the body expressing the governor's perspective in conference committee hearings.

While some agreement appeared to have been reached regarding the potential language for the bond measure, Ms. Chavira indicated that timing was the underlying factor which resulted in the failure to pass a bond measure prior to the adjournment of the legislative session. The general consensus was that a bond measure on the ballot in November, 2002 general election would have a greater likelihood of passage than would a measure put forth in the March primary.

Commissioner Chandler expressed disappointment at Governor Davis' veto of the Runner bill to allow for the Field Act to be dispensed with for community college facility construction, arguing that it adds significantly to the cost of construction and potentially precludes some joint use efforts with the California State University and the University of California. She asked whether there was any indication that this bill might be revived. Ms. Chavira affirmed that the Legislature has the prerogative to reintroduce the bill in some form. She cautioned that, should a legislator elect to reintroduce similar legislation, concerns raised by the governor in his veto message would need to be addressed to facilitate its passage.

Chair Arkatov inquired whether the Commission had communicated the importance of this legislation to those most likely to influence the governor's decision to veto or support this bill. Ms. Chavira explained that for all legislation identified as a priority for the Commission, staff maintains communication with individuals within the Department of Finance, the Secretary of Education's office, and the Governor's Office, all of whom advise the governor on legislative matters. She stressed, however, that while the governor receives input from various entities, he may have his own views as to whether or not to support specific legislation. Staff member Kevin Woolfork added that most governors preferred not to disclose their decisions prematurely in order to preclude the

intensive lobbying which would likely result. He pointed out that, in his veto, the governor felt the Field Act provided a higher level of safety than the California Building Code Standards. Had this information been provided prior to the veto action, Commission staff may have been able to provide to the governor some compelling contrary evidence.

Finally, Ms. Chavira discussed efforts to restore \$98 million in community colleges budget funding. She noted that a vast majority of legislators were concerned about the funding and in the final days of the session SB 735, legislation which called for the restoration of \$112 million in funding for the California Community Colleges, was sent to the governor.

Staff member Kevin Woolfork added that if the bill were signed, the governor would likely lower the amount of funding in the bill. He noted that intent language in SB 735 which calls for an increase in the community colleges' share of any capital outlay bond issue may not have the governor's support.

Adjournment Having no further business, Chair Welinsky adjourned the Governmental Relations Committee at 9:25 a.m.
